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LATIN AMERICA REPORT

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BRIEFS

BARBADOS-TRINIDAD CEMENT PROJECT--Bridgetown, Barbados, 8 May (CANAL)--Barbados and Trinidad and Tobago have received a 60-million dollar (US) package for establishing a cement plant here, according to the state-owned Barbados National Bank. The package, recently signed in the United Kingdom, comprises a 20-million dollar (US) loan from a group of banks and a 40-million dollar export credit facility provided by the Creditanstalt Bankverein of Vienna. The Aravak Cement Company Limited, a joint venture company owned by the governments of Barbados and the Republic of Trinidad and Tobago, will use the 10-year syndicated loan to supplement the funding for the construction of the company's plant. The loan has been guaranteed by the two governments. The Barbados National Bank is one of the group of six financial institutions which will co-manage the commercial banking facility for the establishment of the cement plant. The others are the Bank of Nova Scotia International Limited, the Morgan Guaranty Trust Company of New York, the National Commercial Bank of Trinidad and Tobago Limited, the Royal Bank of Canada (London) Limited and the Orion Bank Limited is agent for the financing provided. The credit facility will cover the cost of the export of equipment supplied by the turnkey contractors for the plant, Voest-Alpine of Austria. When completed, the plant is expected to produce 1,000 tons of cement a day. [Text] [FL081647 Bridgetown CANAL in English 1640 GMT 8 May 81]

CSO: 3025/1011

COUNTRY SEEN AS DIVIDED INTO MILITARY, CIVILIAN CLASSES

PY140220 Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 May 81 p 10

[Editorial: "Unexpected Warning"]

[Excerpts] If the objective of the Riocentro terrorists was to force a demonstration that the liberalizing steps have not affected the military preeminence over the regime in Brazil, they were fully successful. The expedient found by the Planalto Palace to inform the public about the meeting of the nation's president with the PDS president barely justifies the impression or hypothesis that success is only momentary. However, their success is apparent in the cautionness of the official communique which fully reflects the limitations within which President Figueiredo is now playing the important role of manager of the democratization process.

To begin with, the communique is significant by its unusual terseness. Thirteen typewritten lines were used to make public whatever was safely possible to disclose about the 30-minute talk during which Senator Jose Sarney conveyed to the chief of government the unanimous solidarity of all political parties and the nonpartisan organizations representing the thinking of the Brazilian society in all its variety and in all sectors of activities.

The president's attitude reflected in the communique released yesterday could not reasonably be expected. What the communique says in its appalling terseness is simply this: The government (not the nation's president) took notice of the solidarity expressed by the opposition, the partisan organization and the class organizations, such as the national Brazilian bishop conference, the Brazilian Lawyers Association, and the Brazilian Press Association, but it does not need that solidarity because "the support of the armed forces to maintain peace and to defend the institutions" is sufficient.

That extreme care in separating the country into two areas--the civilian society and "the power" which is content with talking to itself and with keeping its internal unity which is bomb-proof--was brutally illustrated in practice by the ostensibly military method employed to transfer the captain who survived the Riocentro explosion from a civilian hospital to the army central hospital. The number of military personnel and vehicles used in the operation; the motorcycle-riding squad; the brusque behavior of the personnel;

the hour chosen to cause a traffic jam unnecessarily, with brazen disrespect for the freedom of movement of persons; and the whole mobilization which turned the transfer into a war operation were designed to stamp harshly and rudely on the spirit of society whatever was missing in the terse and precise communique from the Planalto Palace.

For the time being at least, let us not delude ourselves with the meaning of liberalization. Democracy has not yet been restored. And it is not up to the civilian society to say when the military class will join forces with it to permit a calm return to the rule of law. This is the severe warning issued in the presidential communique.

CSO: 3001/191

NEWSPAPER NOTES LACK OF COHERENCE IN U.S. FOREIGN POLICY

PY061237 Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 May 81 p 10

[Editorial]: "Diplomatic Vacuum"]

[Text] The lifting of the grain embargo against the Soviet Union by the Reagan government looks more like the fulfillment of a campaign promise--or the simple acceptance of reality--than a move in accordance with a global concept of foreign policy, as would be expected.

The Reagan government decision thus might be subject to misunderstanding: it seems that the United States is rewarding the USSR for not invading Poland. But will Poland be free from that danger? One may wonder whether the embargo had to do with Poland or with Afghanistan.

Since the Republicans moved into the White House, it became clear that the embargo would be reviewed in the light of more practical considerations, that an evaluation of the results would be made, leading to the inevitable conclusion that it was not working. The U.S. exports to the Soviet Union were replaced by shipments from other countries such as Argentina and the U.S. farmers ended up by paying for the embargo against the USSR, which was their captive customer before the embargo.

From that standpoint, the lifting of the embargo is the result of practical considerations--of the "objective" approach which has characterized the Reagan government.

However, it is impossible to separate such measure from a global geopolitical context. Consequently, it just made more obvious the lack so far of a consistent foreign policy in the new Republican administration.

A consistent foreign policy seemed to be taking shape when, as soon as he was appointed, Secretary of State Alexander Haig opened fire against the global strategy of the Soviet Union. After the long semantic entanglement of the Carter government it was certainly good to see some Soviet actions placed in their proper context--that is, as part of a global strategy of worrisome aspects.

Denunciations, however, are not substitute for an overall policy, and the secretary of state was incapable of demonstrating that he could analyze the international reality in all its complexities. El Salvador was transformed into an unbelievable stage of a gigantic conflict and the Middle East was also unbelievably simplified. In Europe, the repeated warnings that the Soviet Union was about to invade Poland backfired against those who sounded those warnings. By simply postponing or cancelling that invasion altogether, the USSR assumed a moderate role which defused at the global level the verbal campaign of the U.S. policy formulators.

Such ineffectiveness along with marginal incidents such as those which followed that attempt on the life of President Reagan have caused irremediable splits. We are back to the worst time of the Carter government when nobody knew who was the spokesman for U.S. foreign policy. Appointments of assistant secretaries of state--such as the appointment of Thomas Enders as assistant secretary of state for inter-American affairs (who is Thomas Enders?)--turned out to be congressional battles. Standing further to the right of the secretary of state, senators committed to the more conservative positions of the Reagan platform threaten to hinder even more the capacity for renewal [arejamento] which the diplomacy of a great power must have.

The most serious fear is that a president who is in the process of regaining his full capacity may not have the disposition or the time to reestablish the unity and coherence of his team in an area in which unity and coherence are essential to the U.S. posture. United States diplomacy is a very serious matter--as former President Carter found out too late--and should not be disrupted by personal disputes.

CSO: 3001/191

RISING UNEMPLOYMENT INCIDENCE IN MAJOR CITIES SURVEYED

Rio, Belo Horizonte Situation

Rio de Janeiro O GLOBO in Portuguese 5 Apr 81 p 29

[Text] Unemployment has already reached worrisome levels in Rio in the shipbuilding, retail trade and metallurgical sectors and in the manufacturing industry, according to employee and employer representatives. Only one sector among those consulted has a labor supply below the market's capacity to absorb it: civil construction.

Some businessmen fear that the closing of firms and the reduction of business sales will have a snowball effect, in the medium term generating problems for the intermediate sectors and expanding the levels of unemployment.

Trade

In trade, the president of the Merchants Association of Rio, Mozart Amaral, said that the policy of the companies is not to institute mass dismissals but he said that any employee who resigns is not being replaced. "We do not know of any cases of mass dismissals," he said, blaming inflation and the containment of credit for the present crisis. He said that the policy of semiyearly readjustments is really the effect and not the cause of the crisis.

Sylvio Cunha, president of the Store Managers Club, reports that there is unemployment in trade, "not in alarming terms," and suggests the immediate suspension of the semi-annual wage readjustments.

"Inflationary or not, the present mechanism contributes to an increase in rotation. After all, it is difficult for the companies to sustain increases without being able to pass it on in the prices, because the market does not tolerate it. The workers themselves feel that the increase is illusory if not prejudicial, because it forces dismissals. Our suggestion is that we return to the annual readjustment with free agreement between the parties. Even annually, the compulsory adjustments should apply only for salaries of up to a total of four minimum wages," he said.

Sylvio Cunha suggests that the companies pay their employees on the basis of "individual merits" which, according to him, would be ascertained by the time-cards, production reports, etc.

"That would put an end to the present discouraging equality of collective readjustments, which gives the same increase to everybody in the same category. That could change the present state of things, in which the workers appear discouraged despite the increases," he said.

Textiles

Sylvio Cunha is also president of the Tailoring and Finishing Industry Association of Rio and he says that the companies in that sector have been having difficulties and that the drop in retail trade sales directly affects such companies. Since the base month for the sector is April, Sylvio Cunha points out that the sector had to dismiss personnel to meet the payment of 51.81 percent for workers who earn up to three minimum wages, as the law provides.

Employees

The president of the Union of Spinning and Weaving Company Workers, Jose Cabral, gives clear testimony on the subject:

"Unemployment is higher than one might suppose. Today we have about 2,000 unemployed workers from the sector listed by union, all of them waiting to be taken care of."

He said that the three biggest factories--Nova America, Bangu and America Fabril--are making systematic dismissals and only Bangu is entering into new contracts for lower wages. The others are not even contracting any more.

"I see a dark future," concluded Jose Cabral, "because the prospects are not good. Only in the knitting sector is there no recession but in the spinning and weaving sector dismissals are already a fact."

Economists

The president of the Economists Union, Salvador Vitor Borelli, said that the market continues to be firm but the concern of that sector centers on two points: the state enterprises, which have stopped contracting, and the new professionals who find it difficult to get a job. He suggests as a moderating measure that the professionals call on the union to form a sort of work scholarship but he recognizes that the principal responsibility belongs to the authorities in the economic area, who can take practical measures to increase the supply of jobs.

Construction

The president of the Civil Construction Workers Union, Arnaldo Coelho, said that there is a lack of qualified personnel to work as helpers in projects. He remarked that the salary is not attractive but he pointed out that the main thing is that there are plenty of jobs, which is not the case in administrative personnel side of construction companies.

He denied the existence of any rotation in that sector at the present time and denied that in view of the volume of new projects, there are no indications of difficulties in that sector: "Fortunately," he concluded.

Metallurgy

The director of the legal department of the Metalworkers Union of Rio, Nartideu Batista da Silva, is emphatic: "There is unemployment and plenty of it in the sector. Not only in the shipyards, such as Emaq, Ishikawajima and Caneco, which are constantly dismissing personnel, but also in metallurgical companies.

He said that the shipyards alone had already dismissed more than 500 people recently and that with the closing of Jamy, which employed 400 people, the total has already reached 2,500 dismissals since the beginning of the year. The cases of contracting other workers at lower salaries--rotation--are rare. The crisis in metallurgy is alarming," said the director, pointing out that in the Niteroi area, where there are also large shipyards, the situation is not any better. The number of metalworkers in the state today is about 250,000.

Shipbuilding

Sources from the Shipbuilding Industry Union confirm that the number of personnel employed in that area has dropped. At the beginning of 1980, the shipyards had 15,000 on their payroll and at the end of the year that number had already dropped to 30,000. At present, if there are not any new orders, there would be mass dismissals. The superintendent of the National Superintendency of the Merchant Marine (SUNAMAM), Elcio Costa Couto, has already stated that he will institute "program of emergency orders" within a maximum of 60 days with foreign funds, which may avoid dismissals and even generate recontracting personnel by the shipyards which make up the strongest industrial sector of the state of Rio de Janeiro.

Of all the medium and large shipyards in the country, only the So Shipyard is outside of Rio, in Porto Alegre. The others are in the state of Rio: Ishibras, Verolme, Maua, Caneco, Emaq and Ebin, in addition to the large ship-repair companies, such as Renave, Enavi and Reunidas, which also contract a large number of workers.

Renave, with 1,000 workers, does not plan to dismiss any personnel inasmuch as its services continue to be requisitioned. The private company Enavi may go from 400 to 1,000 workers in August when it will install a new repair drydock that will handle ships of up to 40,000 tons.

Carrer

The president of the Mechanical and Electric Material Industry of Rio de Janeiro, Antonio Carrera, agrees that there is unemployment:

"We industrialists in the sector made an agreement not to make mass dismissals in January and February but merely not replace those who left vacancies. We also sought to give collective vacations and other conciliating formulas, such as suspending programmed contracting. In March, however, since there was no improvement, the companies were forced to dismiss personnel due to the lack of orders and high interest rates."

Asked if there is rotation in the sector, Carrera replied without hesitation: "That does not exist; only for sweepers. In the area of skilled workers, the industry has no interest in training a man for 6 months and then throwing him out and have to retain another one all over again."

Belo Horizonte Has 100,000 Unemployed

Belo Horizonte--The crisis in the civil construction industry and the high rotation in the trade sector made Belo Horizonte the capital with the highest unemployment rate in the country, according to recent statistics of the Brazilian Institute of Geography and Statistics Foundation (IBGE). Almost 100,000 persons out of an economically active population of 900,000 are without work and another 15,000 are underemployed in the worst crisis of the labor market ever experienced by the capital of Minas Gerais.

State authorities contest the IBGE rate--10.17 percent unemployed--and allege that unemployment does not reach 8 percent. In the meantime, the high rotation among workers is detected by the many sector unions and by the Labor Secretariat of Labor of Minas itself.

Projects Employ

Blaming anti-inflation measures for the unemployment, Minas Planning Secretary Paulo Haddad indicated the advent of large civil construction projects as a solution to minimize the problem. Next week the execution of two projects is going to be ordered: paving Arrudas Street and paving 60 kilometers of city streets, utilizing technology that deliberately employs the largest possible number of workers.

Haddad complained about the limited autonomy the state government has to contract loans and about the lack of savings in the current account which prevent him from undertaking projects as the state of Sao Paulo does to create more jobs. The secretary also attributed the small supply of jobs in Belo Horizonte to "the deactivation of a large number of construction projects that employed a large number of persons, because of a lack of funds or adverse weather conditions."

However, the crisis affects not only civil construction; trade is also going through a serious unemployment crisis. According to the vice president of the Union of Trade Workers of Belo Horizonte, Paulo Pinto, in this first quarter, 2,500 trade workers who had over 1 year of service--practically 10 percent of the workers in that sector--were dismissed. The union has made an effort to place the unemployed but since it started its placement work in May of last year to date, it has only found work for 300 persons.

"The crisis in the trade sector is caused by the people's lack of money and by inflation," commented Paulo Pinto.

The industrial sector has also had a growing number of dismissals. This year, the industries of Belo Horizonte, Contagem and Betim accounted for the dismissal of almost 3,000 metalworkers, who have not found work anywhere, according to Joao Silveira, president of the Metalworkers Union of Belo Horizonte and Contagem. Companies such as Fiat, FMB, Mafersa, Pligh-Heckel and others try to reduce their payrolls and dismiss their workers without holding out the hope of any possibility of recontracting them.

The director of Artefatos de Aco S.A. (AASA) Braulio Vilela, announcing the dismissal of 30 of its employees, explained that the reason for the dismissal was the

high interest rates, the lack of credit and recession in the consumer market. Momentarily forgetting their labor-management differences, Joao Silveira endorsed the statement of the AASA industrialist, "in the final analysis, it is saying that the government's economic policy that is causing unemployment throughout the country."

That is also the position of Secretary Paulo Haddad, who considers that the "rigid use of anti-inflationary measures by the government can lead to recession and increase unemployment levels to rates of close to 15 percent. "If the situation remains unchanged," he said, "unemployment and underemployment may bring about serious social tensions throughout the country within 1 year."

Interior

Unemployment is also serious in the two largest industrial centers in the interior of the state--Juiz de Fora and Montes Claros. In Juiz de Fora, the average number of dismissals in industry and trade reached 50 per day last week, and even so, taking into account only the workers with more than 1 year's service whose dismissals are certified by the unions.

The president of the Industrial Center of Juiz de Fora, Albert Ganimi, said that those dismissals are the result of a lack of working capital by the companies which have not secured credit at feasible interest rates and cannot sustain the increases in their payrolls. Together with other industrialists and workers unions of Juiz de Fora, Ganimi is preparing a formal list of complaints to be presented to the federal government.

"We workers and industrialists are in the same boat and have to count on the workers in our struggle," said the president.

In Montes Claros, the first quarter of this year brought an increase of 31 percent in persons looking for work compared to the same period last year. Of the 11,022 workers who resorted to the employment agency maintained by the Ministry of Labor, only 562 secured work. Within the Minas area of the Superintendency for the Development of the Northeast (SUDENE), Montes Claros faces the serious problem of how to find jobs for thousands of persons who migrate there from the northern part of the state and southern Bahia. The economic crisis affected the companies that were established in the city and, of the 51 enterprises approved for that place, eight are not operating and the remainder dismissed a large number of their workers.

No Recession in Sao Paulo

Rio de Janeiro O GLOBO in Portuguese 5 Apr 81 p 32

[Text] Sao Paulo--Almost none of the Sao Paulo industrialists consulted by O GLOBO during the past week admitted that the Brazilian economy is in recession. The president of the Villares group, Paulo Villares, for example, spoke only of "sector recession" caused by the government's containment measures. The director-superintendent of the Votorantim group, Antonio Ermirio de Moraes, however, concedes that "the economy is passing through a difficult phase." But he did not believe there is a possibility of unemployment at dangerous levels.

Pointing out that the Votorantim group is "contracting and not dismissing--it needs about 1,500 new workers and has difficulty in finding them--Antonio Ermirio predicts that in view of the new situation, there will be a natural transfer of the supply of manpower to other areas of industrial concentration. He cites as an example, Goias, Minas Gerais and even Mato Grosso.

Another who does not believe in recession is industrialist Nildo Masini, coordinator of Group 14 of the Federation of Industries of the State of Sao Paulo (FIESP) and president of the Association of Extrusion and Rolling Industries of Sao Paulo.

Difficulties

"The country is really going through a difficult phase," declared Masini, FIESP's principal negotiator with the state's metalworkers unions. With the redirection of the economy starting at the beginning of the year, there was a cooling off and with it the companies in general suffered a reduction of sales and production, in addition to the resultant reduction of profits. All of that reduced the supply of jobs, obviously increasing the number of unemployed throughout the country.

In the extrusion and rolling sector, according to him, production fell 20 to 25 percent and the level of employment about 15 percent. Even so, Nildo Masini says that there is no recession. He believes that the economy reached a leveling off that is being stabilized and in addition, "there is a tendency--perhaps not very rapid--toward a general improvement in the economy.

Like other industrialists, he has great hopes that the premium credit for exports may contribute to that improvement inasmuch as the exports of manufactured goods--the object of the measure--is going to stimulate domestic production. His optimism is based also on the fact that in the second half of the year there should be a greater availability of credit for the companies, as well as on the beginning of the agricultural harvest, which should generate funds in the market in the order of 630 billion cruzeiros if the products are sold at their respective minimum prices, according to a survey conducted by a Sao Paulo newspaper. In addition, the government should begin to pay its internal debts beginning this month "which should generate additional funds to be injected into the economy."

The president of the National Textile Industry Council, Luis Americo Medeiros, believes that the level of employment in that sector has declined substantially in recent months, particularly in March, when it fell 4.4 percent. According to him, from March 1980 to March 1981, employment in the textile industry fell 12 percent.

Adapting to the Situation

"Even so, there is no recession," he asserted. "What is happening is that the industries are adapting to the new economic situation of the country, which is one of cooling off, which the government itself wants through the measures it has been adopting."

However, Medeiros also agrees that the reestablishment of premium credit for exports is going to stimulate economic activity generally, inasmuch as production should increase. He optimistically hopes that the textile sector will export somewhere

around \$1 billion worth compared to the original prediction of \$600 million. Last year exports from that sector reached \$850 million.

He points out also that the most recent dismissals from the textile industries are normal at this time of the year because with the approach of the next collective labor agreement, on 1 May, the level of dismissals always increases.

The president of the Brazilian Electroelectronic Industry, Firmino Rocha de Freitas believes that one cannot conclude that the country is in a recession. But he asserts that his sector is, because it has been showing negative results for the past 3 months without any prospects of improvement.

He points out that in December there were 260,000 to 270,000 workers in that sector compared to about 240,000 today, while the level of activity fell approximately 30 percent. Firmino said that the government meanwhile must be mindful of the problem, which needs to be solved. But in any case, "the sector is going to be hurt."

Franc Rimar, coordinator of economic affairs for the National Union of the Automotive Parts Industry (SINDIPECAS) declared that the level of employment in that sector fell 7 percent; productivity fell 16 percent.

"But there is no recession," he added, declaring that everything indicates that there will be improvements in the second half of the year. "In any case, we would end the year with a decline in sales in the order of 25 percent."

Diese: There Has Always Been Unemployment

Sao Paulo--The director of the Interunion Department of Socioeconomic Studies and Statistics (DIEESE), Walter Barelli, said that the employment situation in Brazil is and always has been serious because the companies have always used utilized the excess manpower to reduce wages "and they have always used the pretext of unemployment to gain advantages."

Barelli observed that actually there has been much unemployment in the shipbuilding and auto industry sectors since December, which had great repercussion. He said, however, that there are industries that are producing at full capacity.

"Such is the case of the metallurgical industry, which is producing for Proalcoal, or the petrochemical sector and the paper industry, which are expanding," he said.

In his opinion, there are no figures to indicate that there is an economic recession in the country because there are no figures that could give a real picture of the situation. Barelli believes that it is necessary to be very careful when speaking about crisis or recession.

The director of DIEESE explained that caution because he is convinced that caution because he is convinced that "behind those reports there are contradictory interests of groups that are not concerned about their social significance." Barelli cited a survey by a Sao Paulo newspaper revealing that 36.1 percent of the industrialists believe that the situation should improve within the next few weeks and 43.3 percent believe that it will remain stable. And he concluded:

"If that is true, it refutes all those who talk about recession."

In the opinion of the president of the Metalworkers Union of Santos, Arnaldo Gonçalves, the country's current difficulties are the "result of an economic model adopted since 1964, which concentrates income and produced an apparent development without solid bases." He does not believe that there can be a solution without the participation of all society:

"The problem is not an economic but a social one and the solution to the crisis will not be found as long as there is not the participation of the workers."

The president of the Metalworkers Union of Sao Paulo, Joaquim dos Santos Andrade, said that the companies are turning toward dismissals and reducing the workday to "engender a crisis and maintain their profits." He believes that "since the worker did not benefit from the profits during prosperous times, there is no reason why he should now share the possible losses of the industrialists."

Table showing the difference in the level of employment in four basic sectors in the state of Sao Paulo from January to February:

<u>Activities</u>	<u>No of Companies</u>	<u>Workers in Previous Month</u>	<u>Hired</u>	<u>Fired</u>
Manufacturing Industries	365	570,125	13,317	21,357
Civil Construction	151	68,833	8,050	2,880
Trade	186	62,633	2,061	2,266
Services	227	368,610	9,252	7,628
TOTAL	929	1,070,680	32,680	38,674
[totals as published]				

Unemployment in Capitals

Rio de Janeiro O GLOBO in Portuguese 31 Mar 81 p 20

[Text] Unemployment increased in the country from January to February, according to the statistics of the Brazilian Institute of Geography and Statistics Foundation (IBGE). The largest increase was in Porto Alegre. Unemployment increased 27.2 percent with the rate going from 4.81 percent in January to 6.12 percent in February.

The unemployed, according to IBGE criteria, are persons 15 years or older who, being unemployed during the survey reference week, directly or indirectly exerted pressure on the labor market.

Unemployment Rate (%)

<u>City</u>	<u>February</u>	<u>January</u>	<u>Difference</u>
Rio de Janeiro	8.16	7.99	2.2
Sao Paulo	7.49	7.27	3.0
Belo Horizonte	10.17	9.58	6.1
Porto Alegre	6.12	4.81	27.2

Source: IBGE

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CBO: 3001/163

BRIEFS

SALARY READJUSTMENTS--Forty-four and two-tenths (44.2) percent is the National Consumers Price Index [INPC] announced by the Brazilian Geography and Statistics Institute [IBGE] for calculating salary readjustment due in June. This INPC encompasses the November 1980-April 1981 period and is 2 percent points lower than the previous 6-month INPC of 46.2 percent. The April INPC was 5.3 percent and it raised the 12-month INPC to 101 percent. People who earn from 3 to 10 times the minimum salary (8,464.80 cruzeiros) with collective bargaining due in June will have their salaries readjusted by 44.2 percent, plus a premium of 1,122.43 cruzeiros. Those earning up to 3 times the minimum salary will have a 48.62 percent readjustment (1.1 times the 44.2 percent INPC). For those earning from 10 to 15 times the minimum salary the readjustment will be 36.96 percent (0.8 of the 44.2 percent INPC) with premium of 8,605.31 cruzeiros. Salaries between 15 and 20 times the minimum salary will be readjusted by 22.1 percent (0.5 the INPC) plus a premium of 25,441.80 cruzeiros. The readjustment of salaries 20 times the minimum salary will be freely negotiated between employers and employees, but the premium is fixed at 62,856.22 cruzeiros. [Excerpt] [PY070100 Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 May 81 p 18]

EMFA CHIEF ON TERRORISM--General Jose Ferraz da Rocha, chief of the Armed Forces General Staff [EMFA], today indicated in Cuiaba that the armed forces will have a decisive role in the struggle against terrorism. Asked how the government should face this problem, General Ferraz said the armed forces will fight terrorism following the same strategy it used to fight guerrillas in Brazil. [Text] [PY070243 Porto Alegre Radio Guaiba in Portuguese 0200 GMT 7 May 81]

APRIL INFLATION--The Getulio Vargas Foundation has disclosed an inflation rate of 5.5 percent for the month of April. Accumulated inflation for this year stands at 30.9 percent. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 May 81 p 14 PY]

OIL PRODUCTION--In the first 4 months of this year, Brazil has produced an average of 210,483 barrels per day. This represents a 12.4-percent increased production over the same period in 1980. [Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 May 81 p 17 PY]

CSO: 3001/191

NEWSPAPER COMMENTS ON COMMUNISTS OVERTURES TO CHURCHMEN

PA120424 Santiago EL MERCURIO in Spanish 4 May 81 p A3

[Editorial: 'Mesirens' Song"]

[Text] In an interview broadcast over Radio Moscow recently, Orlando Milla, former congressman for the Communist Party and former economy minister of the Allende government, spoke of possible cooperation between Catholics and communists.

In the same interview, Milla also referred to the latest statement made by Cardinal Raul Silva Henríquez to the Italian press agency ANSA. He then topped it all by saying that "the consolidation of the changes in the position of the Catholic Church in Chile" deserves "much respect and thoughtful consideration" on the part of communists.

During the government of the popular unity, Volodia Teitelboim, member of the Communist Party Central Committee and conspicuous communist congressman, led the chorus praising the Catholic Church. A panegyric he published in a newspaper on the eve of the 1973 electoral campaign became famous: "Thanks be given to the Christian personalities and people for their support," intoned Teitelboim in his best priestly style.

Both in that article published on 4 February 1973 and in that interview granted to Radio Moscow in April 1981, Teitelboim and Milla presented two eloquent attempts at orchestrating the Catholic Church. Unfortunately, there are church sectors that accept being orchestrated with undisguised enthusiasm.

Therefore, it is appropriate to recall a portion of Pope Pious XI's encyclical *divini redemptoris* ("atheistic communism") which is very much valid:

"Try, venerable brothers (in the episcopate), not to let the faithful be deceived. Communism is intrinsically perverse and those who want to save Christian civilization from ruins cannot cooperate with communism in any field. And if some of them, led to error, should cooperate for the establishment of communism in their country, they will be the first to receive punishment for their mistake; and the older and brighter the civilization which Christianity has created in the countries which communism manages to penetrate the greater will be the devastation brought upon them by the hatred of atheistic communism."

CSO: 3010/1308

BRIEFS

ARCHBISHOP SUPPORTED--Puerto Montt--Puerto Montt Archbishop Magr Eladio Vicuna Aranguiz delivered to EL MERCURIO the following declaration: Esteemed friend and brother: Your declarations published by the media on 29 April have been a great relief to a climate of tensions and perplexity. I congratulate you for your courage and love for the church and Chile. I wish to refer to some of your statements and discuss other subjects of interest for our church. You have rightly stated that the Chilean Government is not authoritarian. Those persons who voluntarily wish to travel abroad are not prevented from doing so here. Nobody in Russia and Cuba is allowed to travel wherever they want to. Here there is freedom to open and direct public and private schools. There are free unions, which are not politicized, where the labor problems are discussed. There is freedom of work and trade. There are publications (some of which belong to the church) in which the government is criticized openly. There is a complete freedom of worship, should it be Catholic or any other religion. One must not mistake a government with authority aimed at achieving well being with a totalitarian state. [Juan Barrientos] [Excerpt] [PY120316 Santiago EL MERCURIO in Spanish 4 May 81 p C3]

CSO: 3010/1308

ROBERTO VEIGA ADDRESSES NATIONAL CTC MEETINGS

Technical-Scientific Meeting

Havana TRABAJADORES in Spanish 19 Mar 81 pp 2-3

[Text] The following is the speech delivered by Roberto Veiga, alternate member of the Politburo and secretary general of the CTC [Central Organization of Cuban Trade Unions], at the closing session of the national plenary meeting of trade union sections at research centers and technical-scientific departments, held on 17 March 1981, the year of the 20th anniversary of the Bay of Pigs, in the Camilo Cienfuegos Hall of the Academy of Sciences.

Comrades: In this morning's session we noted and followed very closely the discussion which took place on the central report. We also wanted to be present for the discussions which were held in the early part of this afternoon's session, but this was not possible.

The respect and consideration you have shown us leads us to devote this time to reflecting a bit about the main ideas we should incorporate in the concluding words at this plenary session. On the one hand, the tasks and concerns which affect you are very specific and do not come within those which commonly pertain to our daily duties, and on the other, it has not been possible for us in recent days to study the documents taken up for debate here. We were prevented from doing so by the preparations for and the holding of the 42d meeting of the national council of the CTC which just ended.

Comrades: We believe that the convocation by the national trade union of this second plenary session in which the trade union leaders in the research centers and scientific-technical departments are participating was a happy undertaking.

At this plenary session, the advances made by the trade union leadership in this most important sector of scientific activity have been made evident. They allow us to presume that at the fifth congress of the trade union to be held next year, you will be able to show high achievements in the results of your work.

We are pleased to note the zeal and concern you have shown in the effort to perfect your work and make it more profound, and the interest and dedication you reveal in shaping the guidelines of the second party congress into concrete tasks, as well as the undertakings you have adopted to promote the enthusiastic, sincere and conscientious mobilization of the workers in the scientific development outlined by the revolution.

There can be no question that perfecting work methods, involving and consolidating the work collectives, struggling for a constant improvement in their scientific and ideological level will place us in a better position to be able to meet the requirements which the developing of the scientific-technical revolution poses for us. These are new and much higher demands where knowledge, political maturity and the professional expertise of all workers in general and the technicians and higher level specialists in particular are concerned. This last-mentioned factor is of great importance in a society such as ours, which is emerging from underdevelopment and advancing on all fronts of national activity, relying on the conquest of science and technology.

The Academy of Sciences of Cuba is a product of the revolution and has been the worthy repository of the best scientific traditions in our country, pursuing sustained work in various fields of research in the natural, social and technical sciences and making every effort to support the development of the country.

Other scientific institutions, in addition to the Academy of Sciences, have developed, inspired by the desire to respond through research and the scientific departments to the requirements of the powerful development in all spheres of the life of the country resulting from the impetuous revolutionary advance in the direction of socialist construction. Among these institutions which, despite their short life span, already enjoy scientific prestige and have made a fruitful contribution to our economy, we mention the National Scientific Research Center and the National Animal Health Center.

When we assess the work pertaining to the sciences in Cuba and that of our research centers in particular, we do not limit ourselves only to the very important services they represent for the development of the country, but we also project our thinking to the invaluable aid we are rendering and will be able to render to other underdeveloped peoples. Our science is developing in a tropical area and therefore this experience is and will increasingly be with every passing day valuable to and needed by the peoples who live in vast tropical zones and who, incidentally, make up the majority of the people in the world who traditionally and most seriously have suffered from exploitation, hunger, ignorance and poor health conditions.

The development of the sciences in Cuba has the advantage of being based on the unshakable foundations of a triumphant socialist revolution. Here scientific work enjoys unlimited possibilities for growth and greater depth. Basically, the limitations we may have in this field are dictated by the potential of the men or women engaged in research and the particular aspects of our economic and social development.

But we must bear in mind that Cuba, as an integral part of the community of socialist countries, has the tremendous potential for aid offered to us by the new world of socialism. We benefit from the assistance coming from these brotherly countries and their undeniable scientific advances, which have reached the highest rank today in a vast number of fields. All of these conquests are devoted integrally to man for the first time in history, to the achievement of his fullest development and the enjoyment of the material and spiritual assets accumulated by mankind.

The participation of our country in the plan for the development of science and technology approved by the CEMA enables us to aspire to the implementation in practice of national research projects which are entirely equal to our needs and will contribute solutions to numerous and important problems resulting from the impetuous events of the scientific-technical revolution, many of the achievements of which we propose to put to use in accordance with the economic guidelines for the five-year period.

Comrades: We know that scientific advances are capable of completely altering the productive process in a very short historical time. We also know that when this development is achieved within socialism it is reflected in the raising of the level of man's welfare, since it means social development closely corresponding to this economic development.

We propose this economic development as the only means of facing the increasing material and spiritual needs of our people, in other words, the constant improvement of their social level.

In direct contrast, it does not happen with the development of scientific research in the capitalist society, where first of all, this development conflicts with private capitalist ownership, which it must serve and the interests of which it must fully satisfy. The development of scientific research under capitalism will never be put into the service of man, his well-being and happiness. Nor would it be idle for us to mention the nefarious consequences scientific development can mean for mankind in the hands of the monopolies. There have been far too many most regrettable experiences in all eras, in particular in the modern era. They can be summarized briefly as the creation of the most sophisticated and terrible weapons, the irresponsible use of nuclear energy, the advances in chemistry oriented toward the extermination of people, and the scientific development inspired by the insatiable greed to extract a still larger percentage of profit with the terrible consequences of job dismissals, unemployment, inflation and lack of social security, and even absolute contempt for the environment and the ecological balance. In a word, this is scientific development which in the final analysis leads to the material and moral deterioration of life.

On the contrary, and within the very essence of socialism and its class nature, the aspiration and the struggle for man, the producer, transformed into the conscious and optimistic creator of the highest goals of mankind and his own creative life, lie at the heart of scientific development.

It was Karl Marx who for the first time in history provided a theoretical foundation for the role of science in production progress, and who revealed the objective trend in the conversion of science into a direct productive force, which is determined by man's ever increasing knowledge and mastery of the laws of nature.

It is, then, beyond question that our efforts must be directed toward achieving the closest link between scientific research work and the pressing immediate needs and prospects for our economic and social development, as an efficient and irreplaceable form of providing solutions to the many and important problems which our productive advance requires.

We believe that this projection of scientific work is completely clear to all of you. It is also contained in the resolution approved by the second party congress, which demands that we give the necessary priority to the construction of electronuclear power plants, as well as the introduction of nuclear technology, in the search for new energy sources and the better utilization of those existing at present.

It is a secret to none of you that the development of our sugar industry must be the daily basic focus of scientific research, both in the search for varieties of sugar cane with higher agricultural and industrial yields and with a view to obtaining by-products thereof. In this connection, the contributions made by our science to date

are significant, although naturally, there still remains much which the work of our researchers in this field can contribute, since the potential reserves to be found in the sugar, which is and will continue to be the basic foundation of our economy, are very extensive.

The second party congress demanded that our researchers give priority attention to increasing farm production, to the search for economical plant varieties resistant to disease and insects, as well as to promoting and increasing animal health, because it is precisely in this branch that a tremendous potential for increased food for the people is to be found.

The study of our mineral resources and their future use by industry, as well as the possibility of obtaining raw materials from natural substances, are part of a priority program which must represent for each and every one of our technicians and scientific researchers a great stimulus for channeling their enthusiasm and imagination and for utilizing their intensive effort and their creativity.

Key attention in the immediate future should be devoted to social research, which to date--and this must be recognized self-critically--has not kept pace or been as profound as the development of our society requires.

At the preceding plenary session you stressed the need for the competent bodies to encourage the introduction of research achievements into practice. This, naturally, is not a simple process, and demands broad study by a number of production bodies. On the other hand, we know that it is sometimes difficult to persuade those who should apply the results of research. On numerous occasions there is resistance and difficulties are set forth. This is sometimes influenced by certain justified fears, while in other cases it is due to a lack of initiative, to the sclerosis which results from routine and a certain tendency toward passivity. There are also occasions, and we must recognize this, when the characteristics of certain research often make its use complex and difficult, because among other things, an adequate economic assessment is lacking. In this connection, the second party congress directed the Academy of Sciences and the JUCEPLAN [Central Planning Board] to implement the necessary measures to promote the introduction of research in social practice.

Our researchers must constantly bear these realities in mind and be clearly aware at all times of the goal of their work: social practice, the general utilization of their research so that it can be useful to society.

We can say that the introduction of scientific achievements into production requires, in addition to the methodological and legal tools, broad understanding and cooperation between researchers and production centers. It demands close links to relate, identify and associate the activities in both fields.

Comrades: The problems you have dealt with today in this plenary session have been many and most important. Resolutions adopted indicate that you will continue to enjoy encouraging news from your work.

We would like to voice to you, as a modest contribution to the development of trade union work for the benefit of science, some views about certain problems you have studied. First of all, there is the matter of holding production and service

assemblies. The interest shown in this activity both by the trade union movement and the party is well known, and it is logical that it should be so, because this activity is the main means of direct participation by the workers in the management of the economy and one of the basic forms of participation in the practice of socialist democracy.

The prevailing view is that at the scientific and technical centers, a better understanding is being achieved with regard to the importance of these assemblies, which are generally being held and are gradually improving in quality. Last year, success was achieved in adapting the contents of these assemblies to the characteristics of research and the scientific-technical departments. It is necessary that improvement in the content continue, and to this end it is essential that the shortcomings which work against it be overcome. It is necessary to guarantee the direct and active participation of the main administrative leaders in these assemblies. There must be proper checking on the resolutions adopted there and even more forceful activity with a view to resolving all of the problems set forth by the workers which can be resolved. It is necessary to reject and to be adamant about formal and inconsistent solutions and proposals which are often put forth "to get out of a bad spot." We must demand that the solutions and answers to the problems set forth by the workers are suggested seriously and that they truly correspond to the maximal possible activity to deal adequately with these problems. A struggle must be waged to insure that answers and solutions are not delayed indefinitely, but are carried out at the proper time.

The quality of the production assemblies, their importance, the influence they have on the life of the work center and the interest devoted to them by the workers are dictated by whether or not we are able to proceed in this fashion. It is no exaggeration to say that to a major extent, the prestige of the administrative and trade union leaders in the collective depends on the concern, seriousness, sensibility and interest with which they are able to deal with the problems which affect the workers.

It seemed to us we glimpsed in some of the statements made the illusion that by providing free Saturdays, the problem working mothers have with their children on that day could be resolved.

We regard it as our duty to inform you that this is a path which has been fruitlessly tried. Some years ago we launched some experiments the results of which were harmful to the economy of the country and which established an undesirable precedent. This is a problem which must be dealt with by other means. We note with satisfaction that the Ministry of Education has already approved some measures on this matter which are nonetheless encouraging although they are not yet adequate.

Another matter we would like to stress is that pertaining to socialist emulation.

In the resolution of the second party congress on science and technology to which we have referred, the trade union movement is asked to establish specific emulation indices for the research centers and for rendering scientific and technical services, consistent with the content of these activities, so that emulation can truly become a lever for promoting scientific and technical progress. We know that the trade union has taken some steps in recent years in the direction of these goals. It has created a better potential for the organization and development of information, although we must admit that what has been achieved is insufficient and a long path still remains to be covered.

We agree with those who think that there is a need for a radical change in the criteria applied to emulation in many activities and, more particularly, in the activities for which you are responsible. It is the firm intention of our entire trade union movement to penetrate more deeply along these lines. This is a problem which was taken up by the meeting of the national council of the CTC just recently ended. There we voiced the need for emulation to be the focus of continuous study and perfecting. The view that the current forms and content of emulation are truly applicable to the productive sectors was unanimous, and we all agreed that on occasion, emulation with the indices and forms currently prevailing represents for some sectors, such as education and science, a "straitjacket" which works against the variety and wealth of initiatives which should characterize these activities. We have urged that we make a study this year of the proper forms to be adopted in emulation in such sectors as these, which show certain specific characteristics. This year you will have to make a speedy study of what the forms and content of emulation in the activities in which you are engaged should be. It is not an idealistic aspiration to hope that you will come to your fifth trade union congress next year with your own ideas and a realistic and more advanced projection concerning the content and forms in which socialist emulation should be implemented.

Another question we would like to stress has to do with professional advancement. It has been said here, and indeed quite rightly, that the prestige of the scientific institutions and the continuing advance in science and technology in our country will depend on the professional level achieved by its workers, and more particularly, its researchers. We believe that you are entirely persuaded, that this conviction is deep rooted in everyone, and that in addition, it should be reflected in more organized, active and efficient management directed toward achieving the necessary results in the advancement of scientific personnel. This is and will always have to be a priority goal of trade union work in these institutions.

The second party congress stressed that: "Because of the important function the research workers carry out, it is necessary to keep a systematic check to insure that they meet the necessary professional and political cultural requirements, and to insure that their technical-scientific and political-ideological advancement continues to be promoted. You have a responsibility of devoting whatever energies are necessary to guaranteeing the implementation of this policy during the coming years.

The assessment you have made at this meeting as to the advances achieved in recent years in organization, planning and development of the advancement of scientific personnel has been positive. Without a doubt, it has been possible to achieve certain results which, although still insufficient, provide a beginning for a qualitatively new stage.

You have come out in favor of the development of better organizational conditions, as well as for more attention to the development of this activity, and you have approved some important resolutions designed to expand the possibilities of enrolling the workers in courses consistent with the general needs of the country and each researcher in particular. Along with this, you have expressed an interest in creating mechanisms to facilitate the selection of personnel for certain types of advance training. We fully share the view that this selection should be identified with recognition of the attitude toward work, the talents and the merits of each comrade. This is the reason for the importance of taking the views of the workers collective into account in this selection.

Expanding the potential for advancement courses and improving their organization and quality is a very just aspiration on your part, and above all it represents an unpostponable need for the scientific and technical development of the country. All of the strength of your trade union management should imbue the pursuit of this goal.

Naturally, there is one aspect which must not be overlooked by any trade union leader and which must necessarily be understood by each worker. That is the irreplaceable and special role played in the training of scientific and technical personnel by your dedication to study, your professional calling and personal commitment to advancement. These factors--and the history of mankind demonstrates this for us--always underlies each advance in science and technology, each step forward in the knowledge and mastery of nature, and each contribution made to any branch of science. Every eminent scientist or scholar is first and foremost and has always been an outstanding student.

Through courses alone, we can never be good researchers, we will never have the scientists the country needs!

The scientific-technical revolution which is occurring in the world demands a greater effort in systematic and consistent study. Every day new techniques, new contributions, new concepts in our branches of science emerge; those who do not keep pace with this, who do not update their knowledge day by day, can never succeed in becoming true scientists.

The development of our science is very recent. We said earlier that the scientific institutions in our country represent the fruit of the revolution. The vast majority of our scientific workers are also young, and annually new comrades who have recently completed their higher education are incorporated. The goals we propose for scientific and technical development are ambitious and urgent, consistent with need to build socialism, beginning with the underdevelopment inherited from the past.

Within this context, we must understand the unpostponable need to struggle with every effort to raise the professional level of our researchers and the other workers engaged in scientific activities. We must never neglect the organization of advancement or the profound work necessary to develop to the maximum the true vocation of each worker. This is a need which cannot be sidestepped. One primary trade union goal calls for each scientific worker to become increasingly with every passing day a dedicated and impassioned student-worker and a convinced Marxist-Leninist, one who implements revolutionary science and the principles and postulates of socialism and communism.

Evaluation with a view to determining the suitability of the personnel currently engaged in research work is a very important process which will be developed this year and with which you have dealt in detail here today. The need for and importance of this measure was set forth fully and profoundly by Comrade Fidel Castro last September 1 at the inauguration of the National Animal Health Center.

The lack of adequate selection criteria, the rigidity of a policy which does not allow timely labor relocation, as well as other subjective factors, have existed in these recent years, exerting an influence on the fact that there were comrades without a professional calling or aptitude working as researchers.

Resolution No 501 of the CETSS [State Committee for Labor and Social Security] promulgated last year, in the drafting of which the views of the trade union were taken into account, establishes precisely the foundations and general procedure for determining what workers truly meet the basic requirements for this function and have the potential for development in this branch. There is interest in the execution of the evaluation process with extreme care. The main purpose of this evaluation must be to promote the scientific and technical development of the country, and we must understand its great usefulness for each worker, even in those cases in which relocation is deemed necessary, since it will make it possible for each individual to develop in that activity where he will best develop as an individual and as a member of our society.

It has even been contemplated that in doubtful cases, a probation period could be established and once it has elapsed, a new evaluation could be undertaken before definitive decisions are made.

The specialized commissions responsible for this evaluation will be made up of prestigious and skilled comrades, carefully selected. It has even been contemplated that there may be places in which the conclusions at which the commission arrives will be challenged. Appeals will be examined and decided upon by the highest leaders of the institution and the trade union.

Evaluation is necessary: everyone recognizes and supports this. We must see to it that this evaluation process is carried out in a profoundly revolutionary way, so as in no case to deviate from the goal of establishing technical-scientific suitability. We must seek to give this process a profound educational sense, and to insure that once completed, all will remain with the conviction that the procedure was just.

The trade union must in all cases support and demand achievement of the end goals of this evaluation, and consistent with its character and content as a trade union organization, it must devote special attention to the process of relocation, insuring that each individual receives the best possible treatment from the labor point of view.

Comrades: This year marks one century since that historic moment when Carlos J. Finlay, the Cuban genius who fulfilled all the most outstanding requirements for a man of science in his day, set forth his thesis about the carrier of yellow fever to the international health conference which was held in Washington, facilitating control of the disease and its elimination from the tropical territories where it represented a terrible scourge which took tens of thousands of victims every year and which prevented the exploitation of many regions immensely rich in natural resources because of the existence of yellow fever, mainly zones in South American and Africa.

The efforts of the imperialists and the reactionary faction of his scientific body to cheat Finlay out of the scientific glory he merited are known to all.

In rendering the tribute he merits to Dr Carlos J. Finlay, the glory and highest exponent of Cuban science, on popularizing the scope of his work and stressing his enormous ethical values as a man of science, we know that this exemplary life sets an unparalleled example to be followed by the thousands of workers in Cuban science, for whom the beautiful opportunities of a man of science in the full service of his people and mankind have opened up. They will find in this remarkable Cuban scholar

an unperishing example of the virtues and qualities of a scientists: his stubbornness and perseverance in overcoming obstacles, his modesty, logic in the development of his thinking; scientific exigency in his work; constant study of the problems and advances of science.

It has been said of Carlos J. Finlay, with more than sufficient justification, that he merits the Latin saying according to which "his name suffices to praise him."

Comrades: This great revolutionary task which is placed in our hands today in the field of science fully merits and justifies a supreme effort by all of the men and women who bear this high responsibility in each of the labor posts in the research centers and scientific-technical departments.

Undertaking the full implementation of scientific work and the advancement of Cuban science demands energy and firmness, perseverance in daily duties. Scientific researchers today have the opportunity to realize it fully, and the powerful encouragement of knowing the social role of their work, facing temporary reverses with optimism and the creative spirit and always opposing to them the will to win.

The men of science today do not have to face the hostile environment and official neglect from which Finlay suffered. Quite the contrary, they have the support and recognition, the social encouragement of their people and their party, which urges them to do their best work, to make their best effort.

With this conviction profoundly rooted in each man or woman of science, our workers should dedicate themselves to their daily work, to the constant improvement of their knowledge and to a daily enhancement of their scientific guarantee.

This goal in scientific development demands as a basic premise the strengthening of administrative and trade union management, with an effort and a struggle to achieve the systematic organization, control and evaluation of the work of each center and each researcher or worker in scientific-technical departments. It requires and demands that we put forth all the effort necessary to devote concern to man, with sensitivity to his problems and energetic and timely action to resolve them, devoting the greatest attention to man's interests and needs. We must create at each center a true collective of workers having as their eternal slogan and their highest duty their social commitment to insure the advance of science along the certain paths outlined by the first and second congresses of the Communist Party of Cuba.

Comrades: On behalf of our CTC, and with the most heartfelt recognition, we salute the effort made and the success achieved by the centers which have been proclaimed national vanguard centers this last year, and in particular we express our recognition of and congratulations to the men and women who enjoy this vanguard status, to whom the trade union movement, the people and the party voice their warmest thanks.

Many thanks.

Closing Address at Emulation Review

Havana TRABAJADORES in Spanish 20 Mar 61 p 3

[Text] The following is the speech delivered by Roberto Veiga, alternate member of the Politburo and secretary general of the CTC, at the closing session of the final second congress emulation review.

Comrades: This morning, in assessing the results of the 1980 emulation held in salute to the second party congress, we established, with healthy revolutionary pride, that we had fulfilled our emulation commitments in salute to this magnificent Cuban communist event. Therefore, our CTC has been awarded a certificate of completion in this great national emulation.

This is a victory by the working masses in our country, who through their effort, dedication, combativity, initiative and iron will to struggle against difficulties made it possible.

It is a triumph for those in our sugar mills, factories, mines, workshops, construction projects, transportation services, ports, merchant and fishing vessels, sugar cane fields, farm enterprises, schools, children's nurseries, scientific research centers, hospitals, polyclinics, offices, trade, tourist, recreational and cultural centers--this is a triumph, we reiterate, for all those who in these and other work centers in the country made their inestimable contribution of intelligence and sweat, inspired by the congress of the communists which they felt and do feel to be their own, regardless of whether they are party militants or not. For this is the party which links their interests and aspirations, the party made up of the best men and women they have produced, the party which embodies their most valuable proletarian traditions, the party in which the spirit of work, simplicity and modesty prevails, the party which firmly embraces their ideology, the ideology of the workers' class. For in the final analysis, this is the party of Fidel Castro, the respected and beloved leader who has forged and educated them and guided them victoriously along the bright path of the building of socialism.

We virtually completed the technical-economic plan for the year. Some 7,200 labor centers fulfilled the plan in advance in salute to the second party congress. The additional efforts which were made to achieve this feat are countless. The final months of the year bore exceptional witness to a bold and often heroic struggle to eliminate difficulties and to overcome lags.

The examples we could cite and which attest to the sometimes unprecedented labor upsurge promoted by the firm determination to carry out the emulation pledges, which in this case meant fulfilling one's duty to the party, are innumerable. How many of these feats may inspire our artists and writers to conceive great works which will reflect for us the stoicism and the self-sacrifice of the authors of and protagonists in the most grandiose project of all--the marvelous work of this revolution which is today winning the admiration of the world.

These are the workers who make up our trade union movement, who thanks to their extraordinary merit have made it possible for Fidel Castro to term it always glorious. These are the men and women we direct and in whom we have such pride. They comprise

the exceptional mass which teaches and trains us and which has raised us to this honorable level of leaders of the working class which is victoriously building socialism 90 miles away from the Yankee imperialists.

The majority of the trade unions and provinces won the Second Party Congress Banner. To all I convey my warmest greetings and most heartfelt congratulations.

Tonight, in a solemn ceremony, they will receive the award they merit for the victory justly won.

A few trade unions and some provinces failed to win the award. Is it perhaps that they also failed to do praiseworthy work? Did they perhaps fail to make the heroic effort the circumstances demanded? But they did! In these sectors and territories too effort and heroism was seen. In all these trade unions and provinces an improvement in the results of labor was evident. There were, finally, innumerable evidences of self-sacrificing and fertile work. For various reasons, the majority of them beyond the control of the workers and their leaders, they could not achieve the goal. And we would say something more: In some of these trade unions and provinces, perhaps the existence of major difficulties caused them to increase the effort made, although despite this they regrettably could not achieve the goal and could not win the banner.

This is how the emulation is and should be. It is necessary to be consistent with what we agreed upon when we unanimously raised our hands to establish that the emulation should recognize efforts, but should only reward results.

Therefore, we manifest our recognition today of the work done during 1980 by all the members of our combative and glorious sugar trade union, all the workers in light industry, who are demonstrating today in the realm of deeds how their awareness of what Che Guevara said when he stated that "quality means respect for the people." We recognize our doctors, technicians and other health workers, who although they have advanced incomparably in their work in comparison to preceding stages, aspire to much more, to goals which do not fail, because they are rational and just, to be ambitious as well, and we recognize their combative health trade union, which is widely aware that the prestige of emulation requires that it be organized and developed with a high sense of seriousness and responsibility.

We also voice our recognition of the often triumphant workers of Cienfuegos; to the traditionally industrious workers of Villa Clara and Granma, who in this 1981 are advancing toward victory; to our self-sacrificing workers in Camaguey, who have given so many proofs of revolutionary industriousness and fervor in these years of the revolution; to the enthusiastic workers of Guantanamo and the magnificent workers of Tunas who have achieved so many labor feats, above all in these past eight months, inspired by the determination to win the immense honor of hosting the next 26 July celebration.

The National Tobacco Workers Trade Union did not engage in competition in 1980, being prevented by the great hindrances experienced in the harvest. This year, from the beginning, the founders and pioneers of the Cuban trade union movement are now engaged in the struggle and we will be able to count on them.

We regret with all our heart that these trade unions and provinces could not also be honored on the list of those who fulfilled their pledges, but these feelings are to a

substantial degree offset by the incomparable reality of the fact that this year, the year of the 20th anniversary of the victory at the Bay of Pigs, no longer suffering from many of the uncontrollable factors which plagued them in 1980, they are proceeding victoriously, achieving undeniable triumphs in the emulation and marching upward toward the fulfillment of the goals set.

These sectors and territories will not be discouraged because they did not win the banner. On the contrary, this will be a compelling motive to struggle and to win victory this year.

This year we must complete the selection of the 345 work centers which will be proposed for the award of the Second Party Congress Banner as a result of the emulation successes achieved. Also before the end of March, we must make the selection of the workers who will be proposed as recipients of the Lazaro Pena Award, First Degree, based on the individual results achieved in the second party congress emulation.

In 1981 we will dedicate the emulation to the 10th Congress of the World Federation of Trade Unions (WFTU). The decision of the WFTU leadership to hold this event in Havana, in this hemisphere for the first time, in February of next year, constitutes recognition of the work done by our trade unions and is an eloquent expression of solidarity with the Cuban revolution and with the struggle being waged by the workers and the peoples of Latin America and the Caribbean.

We have an unavoidable duty to measure up to this decision, providing the conditions essential to the propitious holding of a great congress insofar as we can.

We will struggle to insure that this event interests the workers and promotes an enthusiastic and broad mass movement which will contribute to the achievement of our main economic and ideological tasks.

All of the labor centers and all of the workers will have to determine the pledges which they will make, collectively and individually, in salute to the 10th Congress of the World Federation of Trade Unions. Each union will have to see to it that these tasks are carried out with speed and quality and within the established deadline. Naturally, the struggle to promote, check on and encourage these pledges will have to result from the systematic action of all the cadres of the CTC and trade unions on the various levels.

We have reached agreement with the highest leadership of the WFTU that the collectives and workers who win in this emulation will receive awards certifying them as such at a session of the congress convoked especially for this purpose.

Guaranteeing the fulfillment of the technical-economic plans in all branches of the economy, victoriously completing the present sugar harvest and carrying out the sugar cane planting plan in order to make the achievement of the sugar production figure established for the coming season possible--these are some of the basic economic goals in our great national emulation in salute to the 10th Congress of the World Federation of Trade Union.

We are living in a complex and risky international situation. Individuals who favor an irresponsible, all-powerful and aggressive policy approaching dangerously close to the abyss which could lead to world conflagration with catastrophic consequences for mankind prevail in the present government administration in the United States.

These individuals have not hesitated to voice views repeatedly, in threatening and insolent fashion, against Cuba. What do they want? Very simply that we cease to be socialist and internationalist. This is in essence what their bold aspiration is. We do not know what right they think they have to tell us what we should do.

Reagan, Haig and their spokesmen have now been given leave to spend their time howling and trying to frighten us. Almost every day a cable report containing their aggressive statements comes out. They speak of taking steps against Cuba, of a blockade and even of direct military aggression. Sometimes they remind us of those neighborhood bullies who parade from one corner to another along the street voicing all kinds of threats of an intimidating nature. At other times they seem to us to be like the "bogeymen" with whom children used to be threatened in order to make them behave.

The arrogance and haughtiness of these representatives of the empire lead them to underestimate the people. They have not learned the lessons of history.

It would be well for them to abandon these presumptuous and bold ventures in an attempt to frighten us. We here have been cured of terror. Fidel said once, interpreting the feelings of the entire people, that it was preferable to cease to be than to cease to be revolutionary.

In fact, we are irritated by their threatening statements and this is because we are annoyed that they think we can be frightened thus. How little the imperialists and their lackeys know us! Cowards are frightened, the hesitant tremble, and those who lack faith fall to their knees, but revolutionaries are neither frightened nor do they tremble or kneel. Our people, and we believe that no one at all doubts this, have given obvious proof in the course of these 20 years and throughout all of their earlier history that they are a revolutionary people.

Calm but firm, we will dedicate ourselves in the course of this year to the struggle to achieve economic goals we have set for ourselves in salute to the 10th Congress of the WFTU. Simultaneously, we will continue to give our support to the organization and the financing of the Territorial Troop Militia, as a means of offering our trade union contribution to the tasks of defense. Already by the 15th of this month, we had accumulated more than 10 million pesos as a part of the enthusiastic and conscientious contribution of the workers.

Production and defense will be embraced with revolutionary vehemence and passion by the CTC and the trade unions. We know what both represent. We are not unaware of the close relationship existing between the two with a view to preparing the country properly to deal victoriously with any imperialist attack. This fully justifies the fact that the main slogan in salute to International Workers' Day urges "a 1 May holiday in combative advance toward production and defense."

The Cuban trade union movement will do everything which must be done to insure that the imperialist enemy will have to pay a very high price if he dares to undertake the irresponsible venture of attacking us.

Threats increase our capacity for struggle, exacerbate our revolutionary fervor and strengthen our determination to triumph over all difficulties. Threats make us more socialist, more communist and more internationalist.

We have concluded the assessment of the emulation in 1980 satisfactorily. This was a fertile emulation year which ended with a balance of encouraging achievements, but as each goal achieved represents a new point of departure for us, this plenary session has marked the beginning of another promising year of new victories to the benefit of the fatherland and socialism, a new emulation year which will be inspired by the holding of the 10th Congress of the World Federation of Trade Unions in Cuba.

Many thanks.

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CSO: 3010/1157

BRIEFS

FOOD IMPORT POLICY--Roseau, Dominica, 11 May (CANA)--The Caribbean should impose a strict import policy on foods which could be grown in the region, Dominica's agriculture minister, Heskeith Alexander, told an agricultural conference today. "The windward islands are agricultural-based, yet millions of dollars are spent every year to import food," the minister said. "I wish to reiterate the need to grow the food we eat and eat the food we grow, and to implement a strict import policy as regards foods that are available locally and in the region." He said that Dominica was making a move in that direction by associating itself with a regional nutrition drive and the continued encouragement of backyard gardening, "because if more women are involved in farming the message will reach the dining table." The conference is attracting delegates from three of the four windward islands--Dominica, St Vincent, and Grenada. St Lucia, which was hit by a wave of industrial unrest, did not send a representative. "The challenges posed to the agricultural sector over the last 2 years by natural disasters and more recently the threat to the vital banana industry make it imperative that we must intensify our diversification program," the minister told the participants. [Excerpts] [FL112110 Bridgetown CANA in English 2049 GMT 11 May 81]

CSO: 3025/1011

HUMAN RIGHTS GROUP DECRIES WOMEN'S JAIL CONDITIONS

PA111720 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT
11 May 81

[Statement issued by the Human Rights Commission of El Salvador on 22 April 1981--
read by announcer]

[Text] The Human Rights Commission of El Salvador reports the following to the
consciences of the national and international public:

Conditions in Which Prisoners Are Kept in the Women's Prison

In the various prisons of the nation, hundreds of persons are being held for
political reasons and mistreated by the authorities without any attention being
paid to their pleas that they be treated like human beings.

In a women's prison located in Ilopango, northeast of the capital, the authorities
treat the prisoners very badly. The knowledge that they have been arrested
for involvement in subversive activities is enough to keep them from being
viewed as persons who need food, clothing, medical attention and so forth.
This is a violation of their most elementary rights.

Our offices have received denunciations of the health conditions at the women's
prison. The prisoners cannot receive medical attention and so forth. This is
a violation of their most elementary rights. The prisoners cannot receive
medical attention outside the prison without the authorization of [word
indistinct]. There are some very serious cases which require emergency
treatment, but because of the negligence of the authorities, there is the risk
that some of these prisoners may even die for lack of medical attention.
The sanitary conditions are terrible, which prevents those who are sick from
recovering completely, and this makes it easier for diseases to be contracted
inside the jail.

Further, the trials of the prisoners have been delayed so far, and there is
no attempt or intention to speed them up. On the contrary, the members of the
repressive security corps constantly threaten the prisoners [words indistinct].

Consequently, the Human Rights Commission of El Salvador condemns the inhumane
treatment to which the inmates of the women's prison are being subjected, and
we demand of the junta of the government, the minister of defense and the
minister of justice:

1. Respect for the lives and physical and moral welfare of the prisoners, an end to mistreatment and provision of medical assistance, food, clothing, and adequate sanitary conditions for their survival in prison.
2. An end to the constant harassment and threats inside the jail.
3. Immediate application of legal proceedings against the prisoners.

The Human Rights Commission asks international organizations such as the International Red Cross and other humanitarian institutions to intervene in the situation of the political prisoners in El Salvador. We consider it to be of vital importance to announce the names of the political prisoners as evidence to the citizenry and as a reminder for the authorities: Lilian Mercedes (Masawa), Pastora Rodriguez, [word indistinct] Del Carmen Cruz, Francisc Rodriguez, Margarita Gabriela Orozco, [word indistinct] Margarita Guzman, Ana Elizabeth Lara, Maria Elena Cruz, Alma Gloria Bolanos, Nora Isabel Montes, Ana Elizabeth Mino, Narina Alaida Argumedo, Ana Gloria Contreras, Maribel Puentes, Maria Sandra Alas, Marta Carolina Rivera, Diva Cuadra Hernandez, Alicia Madrid (Ramero), Ana Martiza Hernandez, Alma Yolanda Reyes, Regina de Henriquez, Milagro Dominguez, Sonia Jacobo, Cecilia Moran, Rafaela Hernandez, and Transito Gutierrez Mogan. 22 April 1981, Human Rights Commission of El Salvador, nominated for the 1981 Nobel Peace Prize.

CSO: 3010/1302

REFUGEE IN BELIZE TELLS OF MASSACRE

PA111254 Havana International Service in Spanish 0000 GMT 11 May 81

["Our America" commentary]

[Text] The crimes committed by Hitler's hordes at the concentration camps of Nazi Germany or in the countries it occupied went down in history as the highest expressions of inhumanity.

Equal indignation was caused across the world by the genocidal acts committed in Vietnam by the American invaders and the Saigonese soldiers and the mass assassinations perpetrated by the genocidal regime of the Kampuchean clique headed by Pol Pot and Heng Samrin.

Now, humanity is horrified in the face of the killings committed daily by the Salvadoran Christian Democratic-military junta.

The rulers of El Salvador and the American imperialists who support them in their genocidal war against the people of that Central American nation, repeat daily that the reports that are broadcast about genocide in El Salvador are false or are exaggerated.

This same thing was done by the imperialist press organs when the atrocities committed by the invading American soldiers in Vietnam or the genocide being carried out in Kampuchea by the Pol Pot pro-Chinese regime were denounced throughout the world.

But at last, the truth has surfaced and the world has learned the magnitude of the crimes they committed.

By various means, the genocidal acts of the Salvadoran regime are being denounced and the day will come when the sufferings of the people of El Salvador, today the victims of the most abject crimes, will be fully known.

One of those denunciations reached our work desk through a letter sent by a Salvadoran listener who, after escaping from his country's repression, took refuge in neighboring Belize.

With simple dramatism, this listener tells us about the murder of more than 200 persons perpetrated by 2d Sgt [sargento segundo] Jose Antonio Rivas in the Metalio Canton, in the Salvadoran department of Sonsonate.

The denunciation tells how this soldier cut his victims to pieces--men, women and children--without his hand even trembling. He tells how 2d Sergeant Rivas cut off the head of a clergyman named Aquino and then showed it to others to ask them if they knew him. The denouncer adds that while this man killed his victims, he ordered the men under his command: Kill as many as you can. I do not care about the cries of women and children. I am only interested in the lieutenant's bars the departmental commander has promised me.

Further on, this Salvadoran victim of the Christian Democratic-military junta says that the same 2d Sgt Jose Antonio Rivas publicly declared that those who planned the murder of Mgr Oscar Arnulfo Romero were Napoleon Duarte, General Hedrano, Major d'Aubuisson and Lt Col Salvador Beltran.

After the massacre in Natalio Canton in the Salvadoran department of Sonsonate, adds the charge, 2d Sergeant Rivas was transferred to another region and there, he cried and pleaded not to be transferred because in the region to which he had been assigned, the guerrillas could execute him.

Lastly, the author of this letter-denunciation tells that he was an eyewitness of many of the crimes perpetrated by 2d Sergeant Rivas because he was a member of the cantonal guard.

All of us, he says, were threatened to death, along with our relatives, if we reported the incident. I succeeded in escaping to Belize and from here, I report this massacre, which is one of the many committed daily in El Salvador. Their perpetrators, he states in conclusion, will be condemned and executed by the people, who they have made suffer so much.

CSG: 3010/1302

BISHOP CALLS ON CHURCH TO SUPPORT GOVERNMENT

Bishop Appeals

FL121207 Havana Domestic Service in Spanish 1100 GMT 12 May 81

[Text] Grenada's Prime Minister Maurice Bishop has appeared to this Caribbean island's church to support the government's plans aimed at raising the level of the population's living conditions. The Grenadian leader issued the appeal at the inauguration in St Georges, the country's capital, of the conference of Christians for peace in Latin America and the Caribbean which is being attended by religious representatives from the region and European guests.

Minister Comments

FL122341 Bridgetown CANA in English 2334 GMT 12 May 81

[Excerpts] St Georges, Grenada, 12 May (CANA)--A Grenada cabinet minister said today that the church has given limited support to the government which came to power in a coup 2 years ago. Education Minister George Louison told a session of the christian peace movement that the leftwing government had received broad support from a significant number of church members. "But in terms of forthright participation and open participation, that (church involvement) has been limited," Mr Louison remarked.

Mr Louison said that, over the last 2 years, there had been some examples of "difficulties" with the church. He referred to a "conflict with the Roman Catholic Church" which arose in February 1980 with reference to a letter written by Dominican priests in Grenada to their counterparts in Britain. "A tiny clique of about five priests who were hostile to the revolution were trying to recruit priests who, they claimed, were versed in fighting against... Marxist society, and, therefore, they have been able to recruit these priests so that they would have served as a check against, what they called, creeping socialism in our country" Mr Louison said. Louison said the whole church was not involved in this move.

The conference in Grenada was opened last Sunday by Prime Minister Maurice Bishop and is under the chairmanship of Costa Rica-born Methodist Bishop Jacinto Ordenez who was at one time bishop of Panama but now serves the church in the United States. The conference ends on Friday.

GOVERNMENT DEMANDS TO BE HEARD BY IMF BOARD MEETING

FLOS2046 Bridgetown CANA in English 2031 GMT 8 May 81

[Text] St George's, Grenada, 8 May (CANA)--The People's Revolutionary Government (PRG) has taken steps to prove "beyond a shadow of doubt" that actions of the World Bank and International Monetary Fund (IMF) "are motivated by opportunism and political prostitution..." Minister of Finance Bernard Coard said today, adding that letters had been sent to fellow ministers of finance who are members of the IMF board of governors, briefing them on the "blatant and vulgar political interference" by the IMF and the World Bank in Grenada's internal affairs.

This action arises from an alleged attempt by the IMF to block fundings to Grenada and charges by the World Bank that problems with funds to Grenada were because of the absence of a feasibility study.

A statement today by the Government Information Service (GIS) quoted minister of legal affairs, agro-industries and fisheries, Kenrick Radix, as saying the IMF was holding up a 19-million-dollar loan to Grenada.

Mr Coard said no funds were being sought by Grenada from IMF and the World Bank for the airport project. The application to the IMF, he emphasized, was under the funds "extended fund facility" and, until the United States representative on the IMF Board of Directors asked for its indefinite postponement from the agenda, IMF had considered the Grenada application to be "one of the most technically sound requests." The finance minister said also that a demand had been made to the IMF managing director that Grenada's loan application be put before the board immediately, and that Grenada's representative should be allowed to address the board meeting.

The behavior of the IMF and the World Bank had nothing to do with impartiality, objectivity and with a nondiscriminatory and professional approach to the question of loan applications by member states, Mr Coard added. He declared that the outcome of Grenada's request to the IMF managing director "will determine whether or not Grenada remains a member of the IMF."

CSO: 3025/1011

BRIEFS

BCIE LOANS--Guatemala, 2 May (ACAN-EFE)--The Central American Bank of Economic Integration (BCIE) has extended loans totaling \$14.4 million to Guatemala to improve its electrical services and develop rural communities. The first loan of \$10.4 million, to be used to partially finance the electrical connections between Guatemala and El Salvador, was extended for 15 years, with a 5-year grace period, at an annual interest rate of 7.5 percent on the unpaid balance. The second loan of \$4 million will be for 20 years with a 5-year grace period at an annual interest rate of 5 percent on the unpaid balance. [PA031900 Panama City ACAN in Spanish 1940 GMT 2 May 81 PA]

CSO: 3010/1302

BRIEFS

U.S. OFFICIAL VISITS--General Vernon Walters, envoy of the U.S. secretary of state has been visiting Guatemala since yesterday. It was officially reported that a delegation of the U.S. State Department headed by Gen Vernon Walters arrived in Guatemala on an official visit to exchange views with President Romeo Lucas Garcia. Political circles have considered Walters' presence as one more demonstration of the Washington-Guatemala rapprochement after the cold relations maintained during the Jimmy Carter administration. In brief statements to the press, Walters said that the government of President Reagan wants to consult our friends, exchange views, explain our criteria, listen to their opinions and perhaps modify ours after the consultations. We hope to improve the relations with Guatemala and to make them more effective. However, he refused to comment on the possible resumption of the U.S. military aid to Guatemala noting that it is not convenient to discuss the topic before meeting on the issue with Guatemalan authorities. It was recalled that Guatemala rejected the U.S. military aid in 1977 because of differences in opinion on the human rights issue with former President Jimmy Carter. However, the Guatemalan Government requested this aid again through a group of Democratic senators who visited Guatemala. It was learned then that the Guatemalan army has shortages of spare parts for helicopters and weapons it uses to fight the guerrillas effectively. [Text] [PA130352 Tegucigalpa Radio America in Spanish 1145 GMT 12 May 81]

CSO: 3010/1302

COUNTRY SECTION

NICARAGUA

BRIEFS

AGITATION MOBILIZATION--Juigalpa, Chontales, Nicaragua--An agitation mobilization will be staged at 1900 tonight in the neighborhoods of Mario Antonio Sequeira, Pueblo Nuevo and Virgen Maria. The mobilization will be staged by the Third Battalion of Juigalpa's Rigoberto Cruz Reserve Battalion 9011, which will soon begin receiving military training for the defense of the fatherland in case of an imperialist intervention. [Julio Abaunza] [Excerpt] [PA082357 Managua Radio Sandino in Spanish 1800 GMT 8 May 81]

CSO: 3010/1302

'ZONIAN REBELLION' SEEN AS DONE WITH EMBASSY COMPLIANCE

PA092236 Panama City MATUTINO in Spanish 8 May 81 pp 4A, 8A

[Luis Restrepo Rosas Column: "The Rebellion of the Zonians"]

[Text] Details of the dedication of the President Chiari Monument in Balboa, Luis Carlos Noli's resignation, and other similar incidents which despite their seriousness, have not been given much publicity, clearly shows that we Panamanians are facing a rebellion by the Zonians and U.S. southerners within the Panama Canal Commission.

Reagan's rise to the presidency of the United States, and the control of the Senate by the most conservative and reactionary sectors, have abetted the Zonians to rebel against the treaty and to try to hinder its fulfillment.

That is why they are trying to prevent the names of the streets in the former Canal Zone from being changed, a monument to a former president of Panama from being erected, and a Panamanian from being head of the information office with southerners and Zonians working under him.

The treaty clearly states that the areas which are allocated to the maintenance and operation of the canal which are under the jurisdiction of the Republic of Panama as sovereign territory and that Panamanians should be given preference to fill administrative and technical positions in the Panama Canal Commission to fulfill the agreement of increasing participations of Panamanians at all levels of employment. [sentence as published]

The canal's board of directors, the administrator and deputy administrator must run the canal according to treaty stipulations. They cannot say--and no one will accept the excuse--that they cannot do so because the Zonians have rebelled.

The board of directors, the administrator and deputy administrator must remove from the organization, all those who are daily conspiring against the treaty and Panamanians.

The incidents mentioned at the beginning of this column have allowed Panamanians to know by name some of those Zonians and southerners who must be ousted from the organization if the board of directors and the administration are to fulfill the treaty. The names reported to us are: Willie Friar, Vicky Boatwright, Dwight McKabney and Ray Laverty.

If the board of directors and the administration do not adopt steps and oust those conspirators, there is the alternative that the Panamanian Government declare them *persona non grata*.

If this cleanup operation is not carried out, it will not be possible to fulfill the treaty, and there will be confrontations between the United States and Panama. We urge the canal board of directors and administration to forestall those problems and to send back to the United States any Zonian who does not accept that the Canal Zone has disappeared, and that they eventually, will have to work under Panamanians.

We Panamanians are convinced that the rebellion of the "Zonians" will increase. This is proved by the fact that despite the Panamanian Government's protests, they went ahead with the anti-Panamanian maneuvers to apply Title 7, while U.S. officials came for the labor "elections" organized by the United States in open violation of the Canal Treaty.

Provocations will continue and will increase because they are part of the "Zonians'" plans, and you can be sure that they will be more brazen every day. That is why Panamanian authorities and all Panamanians must proceed calmly and intelligently, without this calm turning into passivity.

I understand that President Aristides Royo will attend the UN General Assembly in September. Violations to the Canal Treaty can be aired at that important international forum.

We should not wait until then. We should proceed to make the accusations internationally, as soon as possible.

The annual ILO assembly will be held this month in Geneva. We should avail ourselves of the opportunity and have the Panamanian delegation present proof of: U.S. aggression and violations in the labor area, by applying a dual salary scale which means diminished earnings for Panamanian workers and all sorts of bonuses and benefits for U.S. employees; reduced employment opportunity for Panamanians; and other attacks against the Panamanian workers' dignity and economic interests.

We can see that the "Zonians'" rebellion is a well-planned operation carried out with the complicity of the Panama Canal Commission and the U.S. Embassy in Panama.

CSO: 3010/1301

INTERVIEW WITH DEPUTY ADMINISTRATOR OF PANAMA CANAL COMMISSION

PA100413 Panama City Televisora Nacional in Spanish 2315 GMT 9 May 81

[Interview with Fernando Manfredo, deputy administrator of the Panama Canal Commission, by unidentified station reporter; date and place not given--recorded]

[Text] [Question] Considering the present economic situation of the Panama Canal, which has been one of the most important matters in recent years, we would like to ask: If the basic economic aspects of the canal are in the hands of the U.S. Congress, who is really administering the Panama Canal?

[Answer] Well, first, let me say that according to the Murphy Law the Panama Canal Commission budget needs to be approved by both houses of congress. Therefore, they have a great control over priorities for programs and the sums we must spend. This is one of the things we have said in the commission: the Murphy Law creates a number of restrictions on the administration of the budget which makes it hard to manage a commercial entity such as the canal.

[Question] In this respect, when you mention the restrictions of this law which distort the Torrijos-Carter treaties, what would be the purpose of the consultative commission which should meet in Panama shortly?

[Answer] The consultative commission is really limited to analyzing the progress of the treaties' implementation and the attainment of its goals, to see if the policies implemented are the most advisable. If the policies are not, it can recommend other policies to the two governments. However, during the last days of the Carter administration we agreed, as was proposed by him in a letter, that this consultative commission would make a sort of analysis of the objections presented by Panama with regard to this law. The idea is that if the two sides agree that reforms should be made, then the executive would present them on to congress as amendments, taking advantage of the fact that in October an additional bill should be presented to congress. There is even the possibility of amending Law 9670 because this has been determined by the law itself. The law determines that additional legislation is needed and it even leaves open the possibility that certain things which have not worked well in practice can be modified. Therefore, a legal commission was created at the consultative committee level, which has been working to resolve protests presented by Panama and which the executive would be presenting to congress as a bill.

However, Panama's position is as follows: Regardless of whether there is an agreement or not in the commission, if Panama feels that it is right, Panama will present its proposals through other channels.

[Question] Does this mean that this consultative commission has coercive power to propose to the U.S. Government amendments to the law?

[Answer] No. The consultative commission will make recommendations to the two governments. What is more probable is that the consultative commission will tell the U.S. President that at the meetings we have found that there is an agreement for an amendment to the law. Therefore, we recommend that you include these amendments within the bill which must be presented to the Senate. The commission will probably say, the Panamanians proposed other things, but it did not accept them. Therefore, it will be up to Panamanians to try to obtain these amendments.

[Question] Mr Manfredo, looking at the facts and setting aside the spirit of the consultative Commission, the U.S. policies have changed following President Reagan's inauguration and even in congress President Reagan's policies are being implemented. Do you think that conditions exist for the derogation of the Murphy Law?

[Answer] No, I do not think so. I can tell you this offhand. However, it is probable that with President Reagan's leadership we can obtain some amendments, especially concerning those issues which have hampered the canal's operation. He is very much aware of the fact that U.S. agencies, and the commission is one of them, require resources and flexibility in order to fulfill their mission.

CSO: 3010/1301

BANKING SPOKESMAN WARNS ABOUT BILL

PA140047 Panama City CRITICA in Spanish 11 May 81 p 3

[Article by Franklin Castrellon]

[Text] A spokesman of the banking association yesterday told CRITICA that "the approval of a bill making it compulsory for banks to channel 25 percent of their loan portfolios to the agricultural sector as promoted by Liberal Party legislator Cesar Pereira Burgos would mean the end of Panama as an international banking center."

The bill is being analyzed by the Council for Agricultural Affairs of the National Legislative Council after it was rejected by the Treasury Committee which considered it not suited to the country's interest.

The spokesman of the banking association noted that a law regulating the credit portfolio such as that being promoted by Pereira Burgos would withdraw one of the vital supports of the Panamanian economy: its vigorous banking system which is not only a notable source of jobs but an important financial mechanism for the country's development. He added that only in regard to jobs, the banking system generates more than 20,000 direct or indirect jobs.

The bankers have expressed their opposition to this bill but have noted that they are interested in participating in the development of the agricultural sector more actively "to the extent that other problems of this sector are solved."

The spokesman said that the problems that must be solved to boost the financing of agricultural activities include the holding of lands, marketing, price policy and technology. "Credit by itself will not solve the problems of low agricultural production," he noted.

He noted that although the legislative committee seems to be fully aware of the risks involved in Pereira Burgos' bill, it must be said that its approval would result in a massive withdrawal of banks from Panama. Many would go to other places where they are offered incentives similar to those in Panama and this would result in unemployment and the erosion of the financial capacity of the Panamanian banking system.

The spokesman suggested it is possible there are political motives behind the bill because there is no doubt that a crisis in the banking center would adversely affect the economic recovery that Panama has been experiencing.

The National Banking Commission has announced its clear opposition to the regulation of the credit portfolios of the banks and warned that a law was issued last year, Law No 20 of 1980, which established 5-percent subsidies for the agricultural credits of commercial banks and 10-percent subsidies for those granted by the Agricultural Development Bank.

CSO: 3010/1301

COLUMNIST VIEWS U.S., PANAMA STANDS ON LATIN AMERICA

PA132020 Panama City MATUTINO in Spanish 9 May 81 p 6A

[Ricardo Lince Column: "Mexico and Nicaragua"--words within slantlines in boldface]

[Text] The internationalization of the Central American conflict--which is flooding El Salvador with streams of blood, plunging Guatemala into a whirlwind of uncontrolled terrorism and projecting itself in the armed conflict between Nicaragua and Honduras--has attracted the attention of Mexican President Jose Lopez Portillo, who has warned the world that /"any miscalculation can bring about an international war. No country in this area wants war, but it may be provoked abroad through open military intervention." "Mexico will be consistent with its principles and its commitments and will defend Nicaragua's cause as its own."/

It is clear that the source [punto] of tension is the military, economic and political presence of the United States, with an openly interventionist attitude in El Salvador and its military support to Honduras, which has been sheltering counterrevolutionary elements to pave the way for a new intervention in and an armed attack against Nicaragua by Somozist guardsmen.

The U.S. reaction to Lopez Portillo's firm statements came immediately through the announcement that (Ret) Gen Vernon Walters, a sort of "prodger" and a tough man capable of successfully handling any difficult crisis, had been dispatched urgently to Guatemala, Honduras and Panama. Walters had been in Panama in February on a trip that was officially termed as a fact-finding mission but which was aimed, above all, at establishing the U.S. position on the Central American conflict and asking for Panama's support. Walters will return to Panama next weekend. He is expected to insist on his position and on intervention in the Central American conflicts as well as to insist to President Royo on continued stability in the region according to the North American pattern.

As can be seen, Panama is not exactly in the storm's eye but is regarded as a key country because of its influence in the region. This is so much so that the Salvadoran Christian Democratic Junta has sent a high-ranking electoral official to Panama in order to use Panama's electoral legislation, mechanisms and procedures as a model in that country's forthcoming elections because Panama and its institutions are trusted by the people. All this is in sharp contrast with [the attitude of] Panamanian Christian Democrats, who have been systematically criticizing our electoral laws.

CSO: 3010/1301

BRIEFS

RELATIVES TO VISIT GUERRILLAS--Relatives of the five Panamanian students who are being held by the Colombian military courts under the charge of rebellion traveled this afternoon to Ipiales on a special flight of the Panamanian Air Force [FAP]. These scenes show the moments prior to their departure from the FAP hangar in Tocumen. The group was made up of the mothers of Pablo Fernandez, Mario Concepcion, Teodoro Hunt, Ricardo Quintero and Roberto Garrido, the father of Teodoro Hunt, the wife of Roberto Garrido and the brothers of Pablo Fernandez and Mario Concepcion. The Panamanians formed part of a 19 April movement column that took refuge in Ecuador and was subsequently turned over to the Colombian military authorities. As a result of the court-martial against them, efforts were made to have their relatives visit them. The nine relatives left today since visits to the prison are only authorized on Saturdays. The transportation of the relatives of the five students costs approximately 3,000 balboas. They will return on another special FAP flight over the weekend. [Text] [PA091401 Panama City Televisora Nacional in Spanish 2315 GMT 8 May 81]

CSO: 3010/1301

BRIEFS

CABINET MEMBERS' DISMISSAL--Kingstown, St Vincent, 13 May (CANA)--The militant left wing National Joint Action Committee (NJAC) of Trinidad and Tobago has urged the dismissal of some of the country's cabinet ministers. Anum Bankoke, public relations officer of the NJAC, told a news conference here yesterday that firing certain ministers, whom he did not name, would be one way of restoring some degree of confidence in his country's political management. He said there was mismanagement of the economy and corruption in officialdom, and said Minister George Chambers needed to combat this. Bankoke is in St Vincent at the invitation of the small leftist united people's movement. He reiterated that the NJAC planned to contest general elections in Trinidad and Tobago this year as a political party and felt confident of success. [Text] [FL131513 Bridgetown CANA in English 1457 GMT 13 May 81]

CSO: 3025/1011

BRIEFS

LABOR ASSOCIATIONS LAW--Montevideo, 8 May (AFP)--An official source reported today that a draft law on professional associations (meaning unions) has been approved by a committee of the Council of State, whose plenary meeting scheduled for next Tuesday will pass the law. Justo Maeso, Uruguayan labor and social security minister, has revealed that the draft labor law will be relayed to the ILO, for which purpose he plans to go to Geneva at the end of the month. According to the minister, the executive branch will establish the rules of the new law after its approval by the Council of State, the legislative body which has been acting instead of congress since 1973. From then on the first unions will be allowed to operate within the framework of the new regulations which the government will issue. One of these regulations will control the right to strike, suspended along with all unions of communist leanings since 1973. It has been reported that the unions, termed labor associations in the text of the labor law, will be created and operated by single enterprise unless the enterprise has fewer than 15 employees in which case the labor association can be made up of workers from other enterprises engaged in the same activity up to the maximum of 30 enterprises. The aims and goals of the labor associations, according to the law, must be in keeping with the legal and democratic system and must deal exclusively with labor affairs and are prohibited from carrying out activities for profit or those of a clearly political or religious nature. [Text] [PY111522 Paris AFP in Spanish 1432 GMT 8 May 81]

NAMING OF PRESIDENT--Montevideo, 22 Apr (TELAM)--Lt Gen Juan Vicente Queirolo, commander in chief of the army, said today that the naming of a new president--whether civilian or military is yet unknown--is the most important matter in the Uruguayan political panorama. Queirolo told the press in this capital today that no contacts have yet been made with possible candidates for president. Defense Minister Walter Ravena--who according to some press reports has been mentioned as the possible successor of Aparicio Mendez--has denied the reports. [Excerpts] [PY231448 Buenos Aires TELAM in Spanish 0345 GMT 24 Apr 81]

JOURNALIST RELEASED--Montevideo, 30 Apr (AFP)--The managing editor of the weekly OPINAR, Luis Hierro Lopez, detained and indicted on 10 April for complicity, was freed last Tuesday, it was announced today. The journalist was freed on bail because of a plea submitted by his lawyer. The magazine OPINAR has also been closed for four editions by a 10 April order because it published commentaries on national politics. The authorities at the time explained that in its harmful commentaries the weekly had distorted and questioned in an unjustified manner the institutionalization process currently being developed in Uruguay. [Excerpts] [PY012211 Paris AFP in Spanish 0257 GMT 1 May 81]

COST OF LIVING INCREASE--Montevideo, 21 Apr (AFP)--According to the information released by the National Statistics and Census Bureau, the cost of living in Uruguay increased 7.17 percent during the first quarter of 1981 as compared to the 10.34 percent increase experienced during the same period last year. [Paris AFP in Spanish 1326 GMT 21 Apr 81 PY]

NEW PATROL BOATS--La Paloma, 25 Apr (AFP)--Vice Adm Hugo Marquez said here today that Uruguay will be able to carry out a more effective patrolling of its jurisdictional waters thanks to the three new patrol boats purchased in France. These boats are of the vigilant class, 41.89 meters long, 6.20 meters wide and 2.50 meters of draft. Their cruising speed is 15 knots, maximum speed is 25 knots and their range is 2,500 miles. [Paris AFP in Spanish 1249 GMT 25 Apr 81 PY]

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